

Message Text

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70

ACTION XMB-07

INFO OCT-01 EUR-25 ISO-00 EB-11 PM-07 NSC-10 SPC-03 SAM-01

SS-20 RSC-01 TRSE-00 OMB-01 AID-20 FEA-02 CIAE-00

INR-10 NSAE-00 INT-08 NEA-11 FRB-02 CIEP-02 STR-08

CEA-02 DRC-01 /153 W

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R 051533Z FEB 74

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 9091

USDOC WASHDC

INFO AMCONSUL OPORTO

UNCLAS LISBON 0473

COMMERCE FOR BIC/MEPD

PASS EXIM BANK

E.O. 11652: N/A

TAGS: BGEN PO

SUBJ: MAJOR PROJECTS: CNP PETROCHEMICAL COMPLEX AT SINES

REF: STATE 017615; LISBON A-197 NOV 2, 1973

1. CNP (COMPANHIA NACIONAL DE PETROQUIMICA) MANAGING DIRECTOR AND FINANCIAL DIRECTOR RECENTLY TOLD COMMERCIAL ATTACHE OF FIRM'S SATISFACTION WITH EXIM BANK FINANCIAL ARRANGEMENTS WITH PETROSUL REFINERY. CNP IS THE CONCESSIONAIRE FOR DOWNSTREAM PETROCHEMICAL DEVELOPMENT AT SINES AND IT IS A PARTNERSHIP OF PETROSUL (51 PERCENT), SONAP (20 PERCENT) ONE OF PORTUGAL'S NATIONAL PETROLEUM COMPANIES, AND CUF (14 PERCENT), PORTUGAL'S LARGEST INDUSTRIAL GROUP. DUE TO THE CLOSE FUNCTIONAL RELATIONSHIP BETWEEN CNP AND THE NEW REFINERY AS WELL AS PETROSUL'S EQUITY CAPITAL PARTICIPATION IN CNP, THE MANAGEMENT OF CNP IS HOPEFUL THAT SIMILAR CREDIT CONDITIONS CAN BE ARRANGED FOR DESIGN, UNCLASSIFIED

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CONSTRUCTION AND EQUIPPING OF CNP'S ETHYLENE PLANT.

2. CNP'S DEVELOPMENT PLANS CALL FOR PUTTING ITS ETHYLENE PLANT IN OPERATION BY LATE 1976. ASSUMING A TWO YEAR LEAD FOR CONSTRUCTION, CNP WILL HAVE TO HAVE FINANCING SET AND A PRIME CONTRACTOR SELECTED BY THE END OF 1974.

3. CNP IS ALSO SEARCHING FOR JOINT VENTURE PARTNERS FOR ITS OTHER PETROCHEMICAL PROJECTS AT SINES (SEE LISBON A-197 OF NOV 2, 1973). INTERESTED U.S. FIRMS SHOULD CONTACT THIS EMBASSY FOR MORE INFORMATION.

4. COMMENT: WE BELIEVE THAT CNP IS INCLINED TO LOOK TO U.S. TECHNOLOGY AND EQUIPMENT FOR ITS ETHYLENE PLANT. CNP FINANCIAL DIRECTOR HAS BEEN GIVEN DETAILS ON EXIMBANK PROGRAMS AND PLANS TO APPLY FOR PRELIMINARY COMMITMENT FOR \$100 MILLION IN NEAR FUTURE. WE STRONGLY SUPPORT EXIMBANK PARTICIPATION IN THIS PROJECT AND SUGGEST THAT APPLICATION BE PROCESSED EXPEDITIOUSLY.
SCOTT

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Message Attributes

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30 JUN 2005

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